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MESSETURM  
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HONG KONG

November 20, 1997

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
The Mercury Building  
1925 K Street, NW  
Room 704  
Washington, DC 20423

RECORDATION NO. 21014 FILED  
NOV 21 '97 2-31 PM

Dear Mr. Williams:

In accordance with 49 U.S.C. §11301, we submit herewith for recording with the Surface Transportation Board original counterparts of the document described below.

This document is a Memorandum of Trust Indenture and Security Agreement (CN 1997-2), a "primary document", dated as of September 1, 1997.

The names and addresses of the parties to the primary document are as follows:

DEBTOR, MORTGAGOR: FCNBD Leasing II Inc.,  
1000 Canterra Tower  
400 Third Avenue, S.W.  
Calgary, Alberta T2P 4H2

SECURED PARTY,  
MORTGAGEE: The First National Bank of Maryland  
25 South Charles Street  
Baltimore, Maryland 21201

The equipment covered by the document consists of 80 GE model Dash 9-44CW diesel-electric locomotives constructed by General Electric Canada Inc. marked with serial numbers 50302 through 50381, and

RECEIVED  
SURFACE TRANSPORTATION  
BOARD

NOV 21 2 31 PM '97

*Jonathan Green*

bearing the road numbers of Canadian National Railway Company 2523 through 2602.

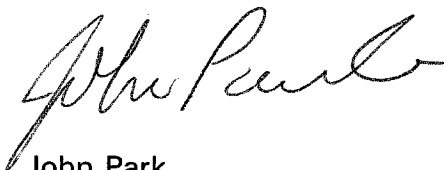
The recordation fee of \$22.00 is enclosed. After recordation, please return the counterparts not needed by the Board, stamped with the recordation data, to Charles A. Spitulnik of Hopkins & Sutter, 888 16th Street Northwest, Washington, D.C. 20006.

A short summary of the document for use in the index follows:

Memorandum of Trust Indenture and Security Agreement (CN 1997-2) dated as of September 1, 1997, between FCNBD Leasing II, Inc., as debtor and mortgagor, and The First National Bank of Maryland, as secured party and mortgagee, covering 80 locomotives.

Please acknowledge receipt on the enclosed copy of this letter.

Very truly yours,

A handwritten signature in cursive script, appearing to read "John Park", written in black ink.

John Park

Encl.

SURFACE TRANSPORTATION BOARD  
WASHINGTON, D. C. 20423-0001

OFFICE OF THE SECRETARY

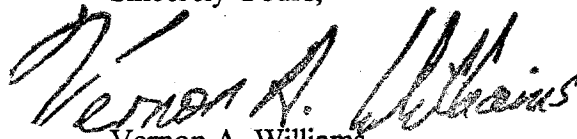
DATE: November 21, 1997

John Park  
Davis Polk & Wardwell  
450 Lexington Avenue  
New York NY 10017

Dear Mr. Park:

The enclosed document(s) was recorded pursuant to the provisions of 49 U.S.C. 11301  
and 49 CFR 1177.3 (c), on November 21, 1997 at 2:31PM, and  
assigned recordation number(s). 21014, 21015, 21016, 21017, 21018, 21019, ~~21020~~ and  
~~21021~~ 21016-A 21018-A.

Sincerely Yours,

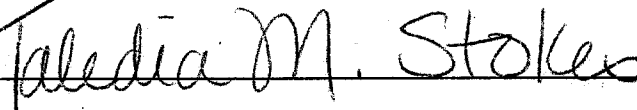
  
Vernon A. Williams  
Secretary

Enclosure(s)

\*owe 16.00 more.

\$ 176.00 The amount indicated at the left has been received in payment of a fee in  
connection with a document filed on the date shown. This receipt is issued for the amount paid.  
In the event of an error or any questions concerning this fee, you will receive a notification after  
the Surface Transportation Board has an opportunity to examine your document.

Signature



MEMORANDUM OF TRUST INDENTURE AND SECURITY AGREEMENT (CN 1997-2) dated as of September 1, 1997, between FCNBD LEASING II, INC., a corporation incorporated under the laws of Alberta (hereinafter called the **Debtor**), and THE FIRST NATIONAL BANK OF MARYLAND, a national banking association (hereinafter called the **Security Trustee**).

WHEREAS the Debtor and the Security Trustee are entering into that certain Trust Indenture and Security Agreement (CN 1997-2) dated as of the date hereof (hereinafter called the **Indenture**), pursuant to which the Debtor

(a) grants to the Security Trustee for the security and benefit of the holders of equipment notes issued under the Indenture a mortgage, charge, hypothecation, security interest and assignment on, against, in and of all of the Debtor's right, title and interest in and to the railroad equipment described in Schedule A hereto and in supplements to the Indenture executed and delivered from time to time, the bills of sale and manufacturers' warranties in respect thereof, all improvements and additions now or hereafter made or affixed thereto, and all cash and noncash proceeds therefrom; and

(b) assigns to the Security Trustee for the security and benefit of the holders of equipment notes under the Indenture all of the Debtor's right, title and interest in and to the Lease of Railroad Equipment (CN 1997-2) dated as of the date hereof between Canadian National Railway Company and the Debtor, all supplements thereto and amendments thereof, and all payments due or to become due thereunder, and all rights of the Debtor to give consents, make elections, give or receive notices, give approvals and exercise all rights, powers and remedies of the Debtor thereunder, and all cash and noncash proceeds therefrom;

all subject, however, to the exclusions and exceptions specified in the Indenture.

This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, all of which together shall constitute a single agreement.

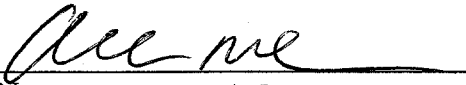
RECORDATION NO. 21014 FILED

NOV 21 '97

2-31 PM

IN WITNESS WHEREOF, the parties wish to show for the public record the mortgage and security interest in the aforesaid property in favor of the Security Trustee, and accordingly have caused this summary to be executed by their respective officers thereunto duly authorized, as of the date first above written.

FCNBD LEASING II, INC.

by   
Name: Allan Nielsen  
Title: Secretary

THE FIRST NATIONAL BANK OF  
MARYLAND


by \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, the parties wish to show for the public record the mortgage and security interest in the aforesaid property in favor of the Security Trustee, and accordingly have caused this summary to be executed by their respective officers thereunto duly authorized, as of the date first above written.

FCNBD LEASING II, INC.

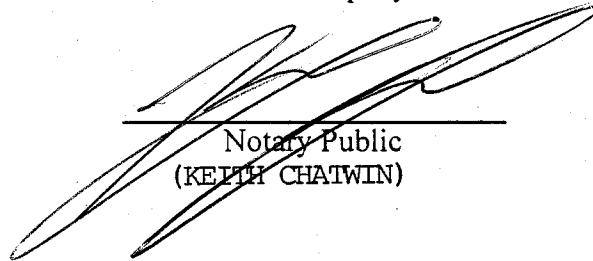
by \_\_\_\_\_  
Name:  
Title:

THE FIRST NATIONAL BANK OF  
MARYLAND

by   
Name: **Robert D. Brown**  
Title: **Assistant Vice President**

PROVINCE OF ALBERTA            )  
  )  
CITY OF CALGARY                )

On this 19th day of November 1997, before me personally appeared ALLAN NIELSEN, to me personally known, who, being by me duly sworn, says that he is Secretary of FCNBD LEASING II, INC., that the foregoing instrument was signed on behalf of said company on such day by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

  
\_\_\_\_\_  
Notary Public  
(KEITH CHATWIN)

[Notarial Seal]

My commission expires

STATE OF MARYLAND            )  
  )  
CITY OF BALTIMORE            )

On this day \_\_\_\_ of \_\_\_\_\_, 1997, before me personally appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, says that he is \_\_\_\_\_ of THE FIRST NATIONAL BANK OF MARYLAND, that the foregoing instrument was signed on behalf of said company on such day by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

\_\_\_\_\_  
Notary Public

[Notarial Seal]

My commission expires

PROVINCE OF ALBERTA           )  
  )  
CITY OF                                    )

On this \_\_\_\_ day of November, 1997, before me personally appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, says that he is \_\_\_\_\_ of FCNBD LEASING II, INC., that the foregoing instrument was signed on behalf of said company on such day by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

\_\_\_\_\_  
Notary Public

[Notarial Seal]

My commission expires

STATE OF MARYLAND           )  
  )  
~~County~~  
~~CITY OF BALTIMORE~~            )

On this day 19th of November, 1997, before me personally appeared Robert D. Brown, to me personally known, who, being by me duly sworn, says that he is Assistant Vice President of THE FIRST NATIONAL BANK OF MARYLAND, that the foregoing instrument was signed on behalf of said company on such day by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

*Sandra J. Cuckell*  
Notary Public

[Notarial Seal]

My commission expires 5/19/98



## SCHEDULE A

### EQUIPMENT

Eighty GE model Dash 9-44CW diesel-electric locomotives constructed by General Electric Canada Inc. marked with serial numbers 50302 through 50381, and bearing the road numbers of Canadian National Railway Company 2523 through 2602.